GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1204
ANSWERED ON:01.08.2005
FIXATION OF SUBSIDY ON DAP
Chandrappan Shri C.K.;Panda Shri Prabodh;Reddy Shri Suravaram Sudhakar

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the subsidies and other facilities presently being provided on urea chemical fertilizer by the Government so as to make it available to farmers at cheaper rates;

(b) whether subsidy and other facilities are being provided on Di- Ammonium Phosphate (DAP) chemical fertilizer also;

(c) if so, the details thereof;

(d) whether fertilizer companies have stopped production of DAP due to uncertainty over the fixation of subsidy in view of the increase in the cost of phosphoric acid, the main raw material; and

(e) if so, the details and the action taken in this regard?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) Urea is the only fertiliser, which is under statutory price and partial movement control. It is sold to the farmers at uniform affordable price throughout the country. As the cost of production of urea is more then its Maximum Retail Price (MRP) the benefit of subsidy on urea is passed on to the farmers in the form of making it available to the farmer at uniform statutory controlled MRP.

(b) & (c) Yes Sir, Government is announcing the indicative MRP of DAP under the Concession Scheme for decontrolled P&K fertilizers. The difference between the normated delivered price of DAP and MRP is paid as subsidy on DAP.

(d) & (e) No sir, The manufacturers of DAP have reported that the supplies of phosphoric acid have been tied up. However, the production of DAP during April to June 2005 reported by the manufacturers is lower than the targeted production for this period.